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# FOREIGN AGRICULTURE

July 14, 1969

**The High Aswan Dam  
And UAR Agriculture**

**Mexico's Beef Cattle**

**Libya Strikes Water**



Foreign  
Agricultural  
Service  
U.S. DEPARTMENT  
OF AGRICULTURE

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These Mexican Herefords were bred from American stock. Story on Mexico's beef cattle industry appears on page 5.

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# The High Aswan Dam

By CLINE J. WARREN  
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Now that the High Aswan Dam—begun nearly 10 years ago—is a reality, what is the outlook for agriculture in the United Arab Republic (Egypt)?

Significant changes are already taking place, and new trends are emerging that give some clue as to the future of crop production. With filling of the dam's reservoir complete, water has become available for new acreage and greater cropping flexibility. Renewed emphasis is being given to greater diversification of farm exports; the most obvious result of these efforts is the growing importance of rice as an export crop. Production of citrus and vegetable crops is increasing with the realization of their importance in the development of a commercial agriculture. In addition to supporting these changes in basic agricultural structure, the High Dam—heart of the United Arab Republic's entire economic development program—will likely hasten the transformation of a society that is primarily agricultural into one that is more industrial and urban.

## New acreage available

Reportedly, water is now available to irrigate 1.3 million acres of new farmland. With favorable climate conditions for multiple cropping, this will be equivalent to 2.1 million crop acres. Water from the dam will also make possible improved and more intensive cultivation practices on 700,000 acres of basin land in the upper and middle parts of the country, providing an equivalent additional cropping area of 200,000 acres.

Thus, the dam will make it possible to expand the country's cropped acreage by 2.3 million acres. How swiftly this additional land can be utilized fully depends mainly upon the

EGYPT'S AREA IN PRINCIPAL CROPS

Crop	Average			
	1960-64	1966	1967	1968 <sup>1</sup>
	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Total cropped acreage . . .	10,350	10,400	10,430	<sup>2</sup> 10,640
Cotton . . . . .	1,820	1,930	1,690	1,515
Wheat . . . . .	1,440	1,340	1,450	1,455
Rice . . . . .	830	1,200	1,250	1,250
Corn . . . . .	1,785	1,635	1,680	1,720
Sorghum . . . . .	485	520	540	( <sup>3</sup> )
Onions <sup>4</sup> . . . . .	53	56	60	65
Sugar . . . . .	127	134	138	( <sup>3</sup> )

<sup>1</sup> Preliminary. <sup>2</sup> Includes the equivalent of 200,000 acres of additional cropping area resulting from more intensive cultivation on 700,000 acres made possible by water from the High Aswan Dam. <sup>3</sup> Not available. <sup>4</sup> Excludes interplanted crop and includes winter production.



*Completion of the dam has added a potential 2.3 million acres to Egypt's cropland, but the real solution to the country's economic ills lies in industrial development.*

## d New Trends in Egyptian Agriculture

speed with which canals and irrigation ditches can be provided. Current scheduling calls for having the full area under cultivation by 1972-73. Other reclamation projects not associated with water from the High Dam are contemplated and would increase the cultivated area by an additional 300,000 acres within the next decade.

With such potential increases in the country's cropped acreage, the major question regarding Egyptian agriculture in the future is whether the arable land created by completion of the High Aswan Dam will be used to expand cotton acreage or for increased food production.

Cotton is still the UAR's chief economic link with the outside world. It is by far the most valuable cash crop grown in terms of both income derived locally and foreign exchange earned. In recent years, however, cotton acreage has declined both absolutely and as a percentage of total crop acreage. The area planted to cotton increased at an average annual rate of 0.4 percent between 1948 and 1966 and was near the 2-million-acre level in 1965 and 1966. Preliminary data for 1968 indicate a decline to about 1.5 million acres. At the same time, cotton has been accounting for a smaller share of total export earnings, while the value of textile exports has made substantial gains.

Although the percentage decline in cotton acreage is relatively small in relation to total cropped acreage, it is of significance when compared with the increase in acreage planted to grain and vegetable crops. Unless world prices for cotton show considerable improvement in the immediate future relative to prices for other major Egyptian exports, these trends will likely become even more pronounced.

### Changes in acreage

Acreages planted to rice, sorghum, onions, and sugar have been expanding. The area sown to wheat still remains near the level reported during the 1960-64 period. Lack of greater wheat acreage despite the difficulty Egypt has experienced in meeting its growing breadgrain needs can be explained in part by the recent advantages rice enjoyed over wheat in international trade. On an economic basis, it has been to Egypt's advantage to produce rice for export while importing wheat.

At the present time, there are no indications that Egypt will expand cotton acreage greatly now that additional water is available. Nevertheless, it is an understatement to say that cotton is likely to remain a major crop for many years to come despite the recent reduction in acreage and the increasing areas planted to other crops.

Water from the dam has not only permitted the planting of additional acreage; it has also brought greater flexibility in the planting of high water-requirement crops. With water

now available, these crops can be grown more evenly throughout the calendar year. Previously, they were worked into the rotation so that the period of their greatest water requirement occurred during the Nile's high season—July through September.

The greater cropping flexibility has already made for substantial improvement in yields. This is particularly true of the main corn crop. Prior to construction of the dam, the general practice was to plant the major portion of the crop at the beginning of the flood season in July. As water from the High Dam became available, the government began to promote a policy to encourage planting as early as May. This practice alone reportedly has increased corn yields some 20 to 25 percent. In 1966 they reached a high of 57 bushels per acre; this compares with less than 35 bushels in 1960. Experimental work now underway suggests that yields could be doubled in the near future with the continued adoption of improved practices.

Other adjustments in crop rotation are contemplated. Pulses and other vegetable crops are being worked into a year-round pattern. Rice acreage is not only being expanded, but the wide fluctuations in planted area from year to year are being eliminated. Water is now available for further expansion in sugarcane acreage, and Egypt will likely become self-sufficient in this commodity in the immediate future. Moreover, surplus quantities could be produced for export.

### Export-import problems

Diversification of exports is one of the UAR Government's major goals. Considerable progress has been made although growth in the actual volume of exports has lagged. The share

EGYPT'S FOREIGN TRADE

	1955-59 average	Percent of 1955-59 total	1960-64 average	1966	1967	Percent of 1967 total
Imports:	1,000 dollars	Per- cent	1,000 dollars	1,000 dollars	1,000 dollars	Per- cent
Cereals and milling products .....	47.2	7.8	111.8	161.2	193.4	24.6
Animal and vegetable oils ..	12.4	2.1	19.1	23.2	42.3	5.4
Tobacco .....	12.2	2.0	14.0	19.3	17.7	2.2
Other .....	530.9	88.1	669.3	886.3	534.4	67.8
Total .....	602.7	100.0	814.2	1,070.0	787.8	100.0
Exports:						
Cotton .....	334.2	70.0	288.9	329.8	279.8	49.5
Rice .....	26.4	5.5	41.7	48.8	68.3	12.1
Onions .....	11.5	2.4	10.1	14.5	20.9	3.5
Textiles .....	30.1	6.3	42.2	119.6	98.4	17.4
Petroleum .....	8.0	1.7	36.8	35.0	17.9	3.2
Other .....	67.1	14.1	95.4	57.2	81.0	14.3
Total .....	477.3	100.0	515.1	604.9	566.3	100.0

United Arab Republic, *Economic Bulletin* (various issues 1960-66), National Bank of Egypt, Cairo.

of total exports accounted for by cotton declined from an average of 70 percent during the 1955-59 period to approximately 50 percent for 1966 and 1967. At the same time, the share of other exports—rice, onions, petroleum, cotton yarn, and cotton fabrics—increased.

The value of food imports has expanded considerably in recent years. Although some import substitution has taken place, the degree of success with this endeavor has not been so great as had been expected. As a result, Egypt's trade balance has become more unfavorable. It was anticipated that by completion of the first 5-year development plan (July 1, 1960-June 30, 1965) imports of consumer and intermediary products would decline in absolute magnitudes. Some replacement of imports by home production, notably by expanding output of petroleum and fertilizer, was achieved. However, these gains were insufficient to offset the increased food imports needed because of acceleration of the country's already high rate of population growth.

The additional cropland now becoming available with completion of the High Aswan Dam should lessen the need for expanding food imports. The amount of capital-producing equipment imported is also likely to be reduced now that construction of the dam is finished. Much of the unfavorable trade balance since 1960 has reflected the country's intensified development effort. The austerity program implemented shortly after the Middle East crisis in 1967 continues and

should eventually help to correct the large trade deficit, too. On the other hand, all these savings might well be more than offset by losses in Suez Canal tolls and reduction in earnings from the tourist industry. In light of these adversities, even greater emphasis will likely be given to export diversification in the future.

### Land vs. population

In assessing the total impact of the High Dam upon farm output in the UAR, it is useful to give some attention to the dominant feature of the country's agrarian economy—the critical relationship between population and arable land. The magnitude of this urgent problem is illustrated by the fact that cultivated land per capita now amounts to only 0.20 acre. Because of population growth, per capita availability of cropland will show little, if any, improvement in the future after total benefits from the dam have been realized. Egypt's prevailing agricultural policy to use part of the newly acquired land to produce crops for export will cause the country to be faced with a continued food deficit.

Thus, completion of the High Aswan Dam will, at best, only provide additional time for Egyptian officials to undertake a further search for solutions to the country's economic ills through industrial development. Gains will be made in agriculture, but these will be limited by Egypt's lack of the natural resources for any substantial expansion.

## U.K. Consumption of Wool Recovers During 1968

Consumption of wool in the United Kingdom took a turn for the better last year after a dropoff in 1967. This recovery occurred against a background of continuing expansion in output of manmade fibers and a slight decline in production of cotton yarn and fabric.

Consumption of raw wool in 1968 amounted to 391.4 million pounds, clean weight, almost 9 percent above the 1967 level. However, this was only marginally higher than consumption in 1966 and somewhat below levels of the previous 4 years. Partly responsible for last year's recovery were the rise in consumer spending on durable and semidurable goods and the generally cool weather. So far this year, consumption of raw wool has continued to rise; forecasts for the entire year predict continuation of demand at about last year's level.

The United Kingdom's woolen industry remains relatively prosperous. Although employment is tending to fall, the rate of decline is slow. In March-February 1967-68, employment dropped 5 percent, but during the following year this drop amounted to only a little under 1 percent. Machine activity also has improved.

U.K. sheep numbers have been falling, and the outlook is for a continuation of this trend. The recent lambing season was the worst for some years. As a result of declining sheep numbers, production of raw wool has also been dropping. Output in 1968-69 is provisionally estimated at 127 million pounds, greasy basis, which is 1 million pounds below the previous year's level and 4 million below production in 1966-67. Fleece wool output is estimated at 79 million pounds and that of skin wool at 48 million. The outlook for 1969 is for a further reduction to about 124 million pounds.

Prices of British wool at recent sales have been higher than prices at corresponding sales last year. For example, Cheviot

wether No. 2 brought the equivalent of 52-58 cents per pound at a recent Edinburgh sale, compared with 45.75-48.25 cents a year earlier. Crossbred wether No. 2 brought 41.50-51 cents recently, against 39.25-41.50 cents in June 1968.

Imports of raw wool in 1968 were at their highest level since 1965. At 545.8 million pounds (actual weight), they were 5.5 percent above 1967 imports. Most of the increase came in imports of crossbred-type wool; at 251.6 million pounds, they were up almost 12 percent. Imports of merino, at 236.8 million pounds, were down 6.5 percent.

The heavier imports of crossbred wool and the decline in merino shipments were reflected in arrivals by country of origin. Imports from New Zealand, the major source of crossbred, were up 29 percent to 141.9 million pounds, while imports from Australia, important supplier of merino, were down 14 percent to 147.1 million pounds. Uruguay replaced Argentina as the third most important supplier, with 53.5 million pounds. Other suppliers of sizable quantities included Argentina, South Africa, and Mainland China.

U. K. exports of home-grown wool recovered after having declined in 1967 and totaled 43.9 million pounds, an increase of 3.5 percent. Reexports of raw wool were little changed and amounted to 30.1 million pounds. In January-March of the current year, the United Kingdom's wool trade fell off somewhat. Imports declined by 7 percent as compared with the same period last year, reexports dropped 6.5 percent, and exports of domestic wool were down 10 percent. However, over the course of the entire year import demand should be stronger, especially if U.K. wool production, due for a fall in any case, declines by more than expected.

—Based on dispatch from DAVID L. HUME  
U.S. Agricultural Attaché, London



*Recently back from a livestock survey in Mexico*

*Wayne W. Sharp, Livestock Division, FAS reports on the current state of the industry "south of the border"*

## **A Look At Mexico's Beef Cattle Industry**

Mexico and the United States carry on a brisk trade in livestock and meat that was worth more than \$90 million in fiscal year 1968. Mexico is the largest supplier of stocker and feeder cattle to the United States and is also a major supplier of boneless beef, while the United States is the largest provider of breeding cattle, higher quality beef, veal, and variety meats, and hides and skins to its southern neighbor.

Livestock and meat products are Mexico's fourth largest category of agricultural exports and have averaged over \$50 million per year since 1960. However, there has been recent speculation as to whether Mexico will be able to continue exports at such a high level since they have been maintained primarily because of decreasing domestic consumption. Although per capita incomes have been rising rapidly, per capita red meat consumption has declined from the 1961-65 average of 39 pounds to 37 pounds in 1967, and beef and veal consumption has declined from 24 pounds to 22 pounds.

U.S. imports of beef and veal from Mexico increased from 39.0 million pounds in 1960 to 65.6 million pounds in 1968, while imports of cattle and calves—mostly stockers and feeders—rose from 390,888 head to 702,472 head. Imports for the first quarter of 1969 totaled 195,796 head, up 17 percent from the year-earlier level. Because of the high prices for U.S. stocker and feeder cattle and increased supplies in Mexico, U.S. cattle imports from Mexico in 1969 could exceed last year's level by as much as 5 to 10 percent.

Although Mexican live-cattle exports have been increasing, U.S. port authorities indicate that the average weight of Mexican cattle has been declining. The average weight 3 to 5 years ago was about 500-550 pounds per head and most of the cattle went directly to U.S. feedlots. Now the average weight is about 350-400 pounds and an increasing proportion are exported during the winter months for grazing in the southwest, prior to being sent to the feedlots.

While Mexico has been increasing its exports of beef and veal, which are mostly boneless manufacturing-type meat, and live cattle to the United States, U.S. exports of higher quality beef and veal to Mexico rose from 158,000 pounds in 1960 to 370,000 pounds in 1968 and variety meat exports increased from only 3.5 million pounds to 20.4 million pounds. Mexico is also the second largest customer for U.S. cattle hides, with purchases valued at \$13.5 million in 1968.

Mexico's beef cattle industry is concentrated in two distinct regions—the northern region, which exports meat and live animals to the United States, and the southern region, which produces for local consumption and for the federal capital.

Approximately 40 to 45 percent of Mexico's 24 million head of cattle are located in the 12 northern States. Corriente or native cattle once predominated in this area, but cattlemen are continually improving their herds by importing purebred Hereford, Angus, Shorthorn, and other English breeds, primarily from the United States. Consequently, Mexico is the major market for U.S. exports of beef and also dairybreeding cattle. Last year the United States exported 6,463 head of beef and 10,501 head of dairy breeding cattle to Mexico.

The current carrying capacity of the rangeland in the northern region is very low—from 25 to 35 acres are required to support an animal unit. Because of the limited and highly variable rainfall, and overgrazing and mismanagement of much of the rangeland, beef production in this area is expected to grow at a slower rate in the future. Although this is the only area that exports beef and live cattle to the United States, the future level of exports depends upon production in all areas because of Mexico's export-control system.

Mexico controls the level of both meat and live animal exports by the issuance of export licenses. Prior to each livestock year (Sept. 1 to Aug. 31) the Mexican Department of Agriculture and Livestock estimates total beef production and domestic requirements for that year. The surplus is available for export and quotas for both live cattle and beef are established for the 12 northern States. Thus, if production is increased in the southern region and the quantity available for domestic consumption is not increased correspondingly, a greater proportion of the cattle and beef produced in the northern area could be exported.

In the southern region, the major beef-producing area is the Huastaca, a semitropical coastal area along the Gulf coast extending from Tampico south to Veracruz. Cattle are predominantly Brahman breeds, which are adaptable to the semitropical conditions and can tolerate the ticks and insects that plague this area. To help decrease the deficit in milk production, many cattlemen are crossing Brahmans with Brown Swiss. Potential productivity and current livestock carrying capacity—ranging from a high of about 1 acre per animal unit on cleared land to a low of about 12-15 acres—are much higher than in the northern region.

Local officials estimate that less than half of the land in the Huastaca has been cleared, so forage production could be more than double if all of the other area were cleared. However, other problems would limit herd expansion. Because of humid, semitropical conditions, diseases, insects, and high calf mortality, the effective calving percentage is about 50-60 percent as compared with 80-90 percent in the northern area.

A problem common to all areas are the Agrarian Reform Laws. Under these laws all land in one livestock operation in excess of that required to carry 500 animal units can be taken over by the Mexican Government and given to the ejidos (communal farms). The problem is now becoming severe in the unirrigated northern regions where most land is suitable only for livestock production. A greater proportion of the land in the south has already been transferred to the ejidos. When land is transferred from the cattlemen to the ejidos, beef production declines as the members of the ejidos utilize the land for higher valued crops rather than for livestock. Because they fear having their land confiscated by the government, most cattlemen are reluctant to invest in their land or even maintain existing facilities. Bankers are also reluctant to supply capital to the cattlemen who do not have clear title to their land. Solution of this problem is of paramount importance to the future of Mexico's livestock industry.





# Libya strikes A New Source

By PAUL J. FERREE  
U.S. Agricultural Attaché  
Rabat, Morocco

In the middle of the scorching desert sands of southeastern Libya there is a green spot that shows promise of becoming an important example of agricultural progress in coming years.

The desert green is a special project of the Libyan Government and a U.S. oil company. The latter, in obtaining its oil concession from the Libyan Government, agreed to use 5 percent of its profits for agricultural development. In making good on this promise it drilled into a highly productive water-bearing rock layer (aquifer) which is believed to stretch for hundreds of miles below the desert surface. Hydrologists concerned with the project speculate that the water reserves are equivalent to 200 years of Nile River flow, or sufficient water to irrigate up to a million acres of land for several hundred years. Thus Libya, which now can count on only a small coastal area to produce needed farm products, may eventually establish a thriving desert agriculture. The water-bearing layer is believed to extend into the neighboring countries of Egypt, Sudan, and Chad and may hold possibilities for irrigation there also.

## At King's boyhood home

Center of the project is the Kufra Oasis of Cyrenaica—an ancient trading center of North Africa and boyhood home of the Libyan ruler King Idris I.

The trip to Kufra from Tripoli—over 800 air miles southeast of Tripoli—takes the traveler over a vast wasteland, devoid of life except in a few oases and oil camps.

Much of the country is a featureless expanse of sand and occasional low rock outcroppings.

Kufra lies in a low depression surrounded by a few hills. Its livelihood has long centered around a small agricultural industry, including some vegetables, cereals, olives, and about 10,000 date palms. Income is also derived from trade with the camel caravans that pass through and the nearby salt lakes and salt flats. The salt is so plentiful it can scarcely be considered an economic resource. Much of it is broken up for building blocks.



*An oasis blooms in the Libyan desert. Above, life-giving water sprinkles for the first time in a Kufra palm grove. Left, Occidental Petroleum's Board Chairman Mr. Hammer with Kufra farmer. This land, once given over to desert sand, now grows lush with clover.*



*The experimental crop of barley grown in Kufra proved to be most successful as a windbreak crop. Blowing desert sand drifted in the barley instead of sweeping over the alfalfa in adjoining fields. Right, farmers are shown the barley that irrigation helped produce on their land.*





# Health—Water

Home owners, of course, need not worry about their salt houses melting for there is almost no precipitation. A record half-inch of rain early this year was the first since 1943.

Since the oil company started drilling for water in January 1968, agriculture in Kufra has undergone a startling change. A pilot commercial farm has been started and irrigation water under sprinkler pressure has been made available for the first time to some of the 300 traditional farmers in Kufra. Some nine wells have been drilled, thus far, although the first two were for exploratory purposes only and are not now in use.

## Commercial farming

Three of the producing wells are on the commercial farm located about 8 miles from Kufra on a seemingly endless extension of flat sand. Another, Well No. 10, should also be completed there before the fall planting season. If the project develops successfully, the commercial farm may eventually have several thousand acres under irrigation.

This year, nearly 500 acres of alfalfa and barley were produced as a commercial pilot operation. There is also about an acre of assorted trial plots of potatoes, melons, and vegetables.

The barley was harvested with less than spectacular results, but it served its purpose as a border windbreak protecting the alfalfa. This was evidenced by the low dune which accumulated in the barley just short of the now vigorous growth of alfalfa. The alfalfa was cut and baled in May, the first of perhaps 10 cuttings per year. This, plus the healthy green of the tomatoes and potatoes, the spreading melon vines, and the quality of other vegetables, certainly impresses a visitor who could have seen nothing but endless sand at this site only 6 months earlier.

The modern farm equipment employed on the pilot farm is the first seen in Kufra;

some pieces of harvesting equipment are the first in Libya. Soluble fertilizer introduced into the sprinkler irrigation system is a very essential fact for success, since the same is entirely devoid of humus and contains very little in the way of plant nutrients. Every effort has been made to minimize the manpower required for the operation, as Libya is a labor-deficit nation.

Early hopes that initial tillage would be unnecessary have now been abandoned; observation shows that the ageless stratification of the desert sand greatly resists root penetration of alfalfa and most other common crops.

Temperatures do not appear to be excessive in Kufra; last summer's recorded high was 113°F., and there were 3 days of light frost in the winter. Occasional hot winds, or "Ghiblis," may pose problems and indeed did retard alfalfa growth in its early stages. Agriculturists working on the project are optimistic that the Kufra farm will prove an economic success even though many new problems must be met and solved. Not the least of these is the transformation and marketing of the farm's production.

## Livestock feeding

The second, but still speculative, phase of the commercial farm operation is the conversion of the alfalfa hay and some of the barley into meat. A few hundred sheep are to be imported soon, possibly as early as this fall to supplement the

present livestock population of Kufra. Hopefully, the sheep flocks can be developed so that within a few years some 400,000 sheep can be slaughtered annually in Kufra.

Little of this meat can be marketed among the largely self-sufficient population of about 10,000 people who inhabit the Kufra area. Libya's coastal cities and oil camps can easily absorb the meat, however, if it can be delivered. The country currently imports over 440,000 head of live sheep annually for slaughter, besides several thousand goats, cattle, and camels.

## Improved traditional farming

Equally impressive is the progress being made on some of the 300 traditional farms grouped around the salt flats of the oases. These farmers had previously been able to produce only meager crops on the very small areas that could be irrigated from surface springs and shallow wells. Since last fall, some of the 1- to 8-acre farms and nearby reclaimed areas have been crisscrossed by sprinkler irrigation pipe which not only brings sweet water to the crops but also the magic of fertilizer. The American oil company's agricultural technicians have also supplied the seed of improved cereals, forage, and vegetables along with instructions on how to use these to advantage.

This year on some traditional farms, plots of specially selected Mexican wheat and California improved barleys gave significantly higher yields than the traditional varieties used in Kufra. The results from fertilizer and new abundant water are obvious. Only recently the local market was flooded with radishes, as it may be later with other vegetables. Those concerned with the project are aware that

*Right, a new well being tested at the rate of nearly 4,000 gallons of water per minute. The village whose farmers will benefit from the new abundance of water is pictured at far right.*





marketing problems will result as production increases. Kufra, which has been isolated for centuries, must now look outside for a market for its products.

### **The future**

The physical appearance of Kufra and its people has changed little during the past year, but it is believed that the project has brought a spark of optimism that will continue.

In addition to employment opportunities offered by the project itself, a few families are now returning to reclaim farms that have been long abandoned. Small enterprises such as food preservation industries are being considered. Kufra now produces an excellent quality olive which has traditionally been crushed for oil in crude presses. Future planners would use brine from abundant local salt

and produce excellent table olives. Jam and fruit preservation industries should follow. Abattoirs and meat processing facilities will be needed.

So far there are no hotels in Kufra. These are likely to come soon, for increasing numbers of people are coming "to take a look." Several Government Ministers and numbers of interested technicians have visited Kufra recently. One weekly scheduled flight and occasional charter planes now provide the best means of communication with the outer world. Some goods are still received from Egypt and Sudan over the regular camel routes. Most heavy equipment, however, comes overland from Tripoli and Benghazi, averaging 3-10 days and sometimes as much as 15 days by truck.

The Kufra project is not only a demonstration of how water can be used for

modern agricultural development in Libya, but it may set the example for similar desert exploitation in other parts of the world.

It also points out what can be done by private enterprise cooperating with a government interested in advancing its agriculture. Project directors have thus far experienced excellent cooperation from the Libyan Government as well as from local authorities in Kufra. The Libyan Government's interest is demonstrated by its having budgeted \$81 million for agricultural development in its 1963-68 Five Year Plan and increasing this figure to \$420 million for the 1969-74 Plan.

Oil has made these investments possible. Although oil is Libya's No. 1 resource, the country realizes that water and, through it, food are far more important.

## **Bank Lends \$20 Million to Colombia and El Salvador**

The Inter-American Development Bank (IDB) recently approved two loans totaling \$13.2 million to help improve grain-marketing facilities in Colombia and one loan of \$6.3 million to El Salvador toward the building and modernization of wholesale and retail marketing facilities in its capital city, San Salvador.

The loan to Colombia was extended to the Instituto de Mercadeo Agropecuario (IDEMA), a public marketing agency for farm products. The Bank funds plus \$12.7 million in local resources will finance construction of eight elevators and 16 grain processing and storage plants, as well as modernization of 11 existing plants. With these facilities, IDEMA will be able to more than double its present storage capacity—152,000 tons—for such products as wheat, corn, rice, sorghum, and beans.

### **New storage facilities**

The eight elevators will have a total storage capacity of 113,000 tons. This includes facilities in the ports of Santa Maria and Buenaventura to handle foreign trade in grains and maintain buffer reserves for domestic consumption. The 16 rural silos, with a combined capacity of 56,800 tons, will be located in the major grain-producing areas, which are considerable distances from the current major storage-centers. The improvements on the existing plants will include installation of modern equipment geared to bulk transportation and storage.

The loan will also help IDEMA to

carry out a management training program for local plant technicians and will provide technical assistance through the hiring of marketing consultants.

The IDEMA building program will ease the pressures on Colombia's marketing system brought about by the 7-percent-a-year growth rate in production of basic crops. This growth rate has resulted from the government's stepped-up efforts to boost agricultural production. At the same time, however, the development of marketing facilities has lagged behind the steady increase in supplies of farm products. As a consequence of this lag, some 20 percent of the total grain harvest has been lost through deterioration and other causes during the marketing process.

The expanded IDEMA facilities are expected to provide treatment for 40 percent of the grain marketed commercially by the midseventies. This will lower transportation costs by reducing the weight loads through cleaning and drying. Moreover, it will aid toward the establishment of uniform systems of grading—which are essential for bulk hauling—thus helping the farmer sell his products more easily.

### **San Salvador project**

The loan to El Salvador will finance 53 percent of the estimated \$12 million required to construct its capital's first modern wholesale supply center and four new market facilities as well as expand two existing ones. This project will also

increase marketing efficiency through use of modern storage, distribution, and sales techniques, especially for food and agricultural products.

Available marketing facilities in San Salvador, traditional marketing center for most of the agricultural products and consumer goods moving through the country, have become increasingly inadequate in recent years, partly because of the city's 4.8-percent annual population growth. To alleviate this problem, the city's government drew up a marketing plan, of which the Bank-supported projects are an integral part. Also included in the plan are implementation of up-to-date sanitary controls, with closer supervision over handling and transportation of food and other products; construction of child-care centers at all the new and expanded markets and advanced training of local management personnel.

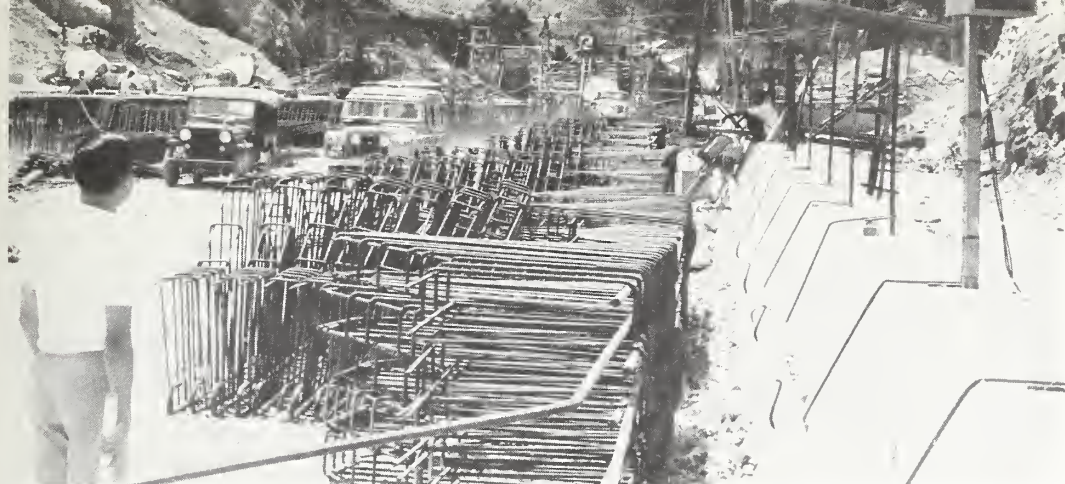
### **New markets**

The new markets are expected to begin operations in 1970. In anticipation of their opening, San Salvador has updated its laws to provide more equitable market taxation. As a result, 1970 revenues are expected to be five times the 1960-65 level.

The San Salvador project is the first stage of a food-distribution plan being drawn up to promote integrated marketing operations throughout the country.

Both the loan to El Salvador and those to Colombia will be guaranteed by their respective governments.





*Left, construction on the Muda Dam. Water collected there will flow through a 15-foot, 4½-mile culvert (opening pictured below) into the Pedu Basin to irrigate.*

## West Malaysia's Rice Irrigation Project

By DALE K. VINING

*U.S. Agricultural Attaché, Kuala Lumpur*

Completion is only a year or so away for West Malaysia's \$75-million Sungei Muda Irrigation Scheme—by far the biggest development project Malaysia has undertaken in its drive for self-sufficiency in rice. Annual output of rough rice in the project area is expected to nearly triple from 229,000 long tons to 654,000. The increase—equivalent to about 267,000 tons of milled rice—contrasts with West Malaysia's present total domestic production of about 600,000 tons of milled rice and imports of another 300,000 tons.

### Double cropping possible

The irrigation scheme on the Sungei River will supply farmers with sufficient water to grow two crops of rice in the principal rice-bowl area embracing the States of Kedah and Perlis in the northwestern part of West Malaysia. At present there is inadequate moisture spread over the year to grow two crops and during the dry season the land is often scorched. The irrigation schemes' stored water will supply water for a second rice crop to approximately 130,000 acres in 1970, an additional 80,000 in 1971, and 62,000 more in 1972.

The Sungei Muda scheme is financed largely by a \$45-million loan from the World Bank. Two large dams and a 4½-mile tunnel—equivalent in capacity to a 15-foot culvert—connect the Scheme's two water basins because the area's narrow valley is unsuitable for impounding a large volume of water. Jungle is being cleared for the construction of ancillary roads to service the project.

To activate the irrigation scheme the Malaysian Government has provisionally established an advisory committee made up of representatives from the Malaysian rice industry. This committee's job is to ensure close collaboration on the implementation and administration of the project. It is likely that the advisory committee will be replaced by an authority for the administration of the Sungei Muda irrigation scheme area as double-cropping gains momentum. In addition, the government is providing infrastructures for public amenities and is also transforming the reservoir areas into a recreation and tourist center.

Before the irrigation water will be utilized to the best advantage farmers in the area will have to be educated to wean



themselves from growing the traditional single crop of rice to two crops annually. Modern methods of farming and rice merchandizing will have to be adopted. Credit at a reasonable cost must be made available to buy seed, fertilizers, herbicides, and pesticides. Plowing with the water buffalo and harvesting by hand will have to give way to mechanization.

Through its extension branches the Federal Ministry of Agriculture and Cooperatives has built up a cadre of supervisory technicians who will advise and assist farmers with new techniques. The farmers also will be financially assisted through a loan fund for the purchase of seed, fertilizers, and farm implements.

### Improved varieties

In addition, the Ministry's Research Branch is constantly improving paddy varieties, fertilization, pest and disease control measures, and cultural practices. Researchers are also investigating the problem of soil-water-crop interactions in major rice-producing areas to promote economic rotation of crops. At the same time increasing emphasis is being given to the intensification of agricultural engineering in



land preparation, transplanting, harvesting, and drying.

Efforts along these lines will be further intensified to meet the harvesting and planting deadlines that progressive large-scale double-cropping will entail. Research has begun on breeding improved short-term rice hybrids from recently established hybrids of Malinja, Mahsuri, Ria, and Bahagia rice. These should be pest and disease resistant; of better grain quality; more responsive to fertilizers;

amendable to mechanical harvesting, drying, and milling; and also have the extra yield necessary for a profit-motivated enterprise.

### Project in Kelantan

Another irrigation project—the \$25-million Kemubu scheme, also to be completed soon—will enable another 47,000 acres of rice to be double cropped. The Kemubu scheme is located in the State of Kelantan in the northeastern part of

West Malaysia.

In addition to the increased production from both the Sungei Muda and the Kemubu irrigation schemes and other increases from lesser projects in West Malaysia, increases are also expected from greater production of rice in East Malaysia; this is to come through the adoption of advanced production technology. East Malaysia has some 450,000 acres of low-lying areas that await development for production.



Farmers who raise commercial flocks of chickens like this are being served by the country's producer cooperatives. Above right, new broiler plant at Fehring where chickens are cleaned, sorted by weight, and packed for shipping (at right).

## Austria Gears Up Its Poultry Industry

Small family farms—which include many backyard poultry operations—continue to be the mainstay of Austria's agriculture, but the farms' size and diversity have long worked against efficiency. Marketwise poultrymen, however, have found that producer cooperatives streamline operations, improve the competitiveness of Austrian broilers on the home market, and allow small producers to share in the profits.

The cooperatives being established throughout Austria supply feed to farmers who cannot grow enough of their own and slaughter, store, and market their birds (mostly broilers, but also geese and ducks). One of the most striking examples of a cooperative at work is the modern broiler plant at Fehring in the southeastern Province of Styria. From small beginnings this enterprise now processes 1.5 million to 2 million birds a year raised on more than 1,000 small family farms.

The 51,610 metric tons of poultry (liveweight basis) produced in Austria in 1968 went to local customers, meeting

three-fourths of the nation's requirements. The apparent preference for fresh poultry meat in Austria is seen by domestic producers as an effective barrier against foreign competition.

The Austrian Government recently created another barrier by authorizing a supplementary levy system on imported poultry to be applied after July 1, 1969 (see *Foreign Agriculture*, May 19, 1969). How effective the levy will be in slowing exports by traditional suppliers in the European Community, Eastern Europe, Denmark, and the United States is not yet known. But Austrian poultrymen are optimistic and output of meat-type birds is expected to be up appreciably in 1969.—Based on dispatch by

ALAN W. TRICK, U.S. Agricultural Attaché, Geneva/Vienna

*Marginal poultry producing is being discouraged by the Austrian Government in lieu of commercial farms. Right, backyard flock of geese.*





# **Report on Latin American Crop and Trade Outlook**

Even with the current trend toward agricultural self-sufficiency in Latin America, U.S. agricultural exports to that area should continue at a level well over half a billion dollars a year. This was the consensus reached by U.S. agricultural attachés from 13 Latin American capitals, at a conference in Washington that ended early this month.

Best all-round opportunities for bigger U.S. sales, the attachés felt, are in the south Caribbean and Venezuela. The market for U.S. breeding cattle holds promise throughout most of Latin America, they said; and there are good markets also for U.S. wheat and vegetable oil, improved by special dollar credit terms under Public Law 480.

The other side of the inter-American trade picture, as the attachés saw it, shows several of the Latin American countries—in an effort to earn more foreign exchange—actively seeking to expand their own agricultural exports and seeing the United States as their best potential market. The attachés also reported on Latin America's drive for economic integration—still in an early stage, but possibly to have more pronounced trade effects in the future.

Present at the June 24-July 2 conference, to report on the production and trade outlook in their host countries for major agricultural commodities moving in inter-American commerce, were the U.S. agricultural attachés stationed in Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Mexico, Peru, Trinidad-Tobago, and Venezuela. Together, they have agricultural reporting responsibilities for some 30 Latin American republics and territories.

Said Assistant Secretary of Agriculture Clarence D. Palmby after attending the conference, "This trade picture from our agricultural attachés is not overly optimistic, but it is realistic." Pointing out that the agricultural trade relations of the United States with Latin America are of high importance to its total import-export operations, Mr. Palmby went on, "This is why we have brought these men together at a time when the Administration is conducting a searching review of our agricultural policies and programs. Facts such as these men have given us are essential background as we set our course for the future."

### **Trends for wheat, corn, cotton, beef, livestock**

For most of the past decade, the United States has enjoyed more than 50 percent of the Latin American wheat market—a large and relatively stable one. The attachés saw every indication that this market will continue to increase over the next few years as it has in the recent past; but they warned that the United States may have trouble maintaining its share, both against the exports of other traditional suppliers and against increased production by some of the Latin American countries themselves.

However, Latin Americans prefer U.S. wheat for its quality, and it still has a strong position in the area. Venezuela, Central America, and the Caribbean countries are good dollar markets; Brazil is both a dollar wheat customer (the largest in Latin America) and a P.L. 480 buyer, as are Chile, Colombia, the Dominican Republic, and Guyana.

The conference took note of prospective wheat production increases in several of the countries, particularly Argentina, Mexico, and Brazil, although Brazil's import needs will continue substantial.

Attachés assigned to the major corn-growing nations of Latin America reported production plans that, if carried out, would increase exportable supplies of corn over the next few years in competition with feedgrain exports from the United States. Most of this increase in exports is expected to take place in Argentina; the expanding feedgrain output of Mexico will largely be used to support the growth of its own livestock industry.

For several of the countries, cotton is a main source of foreign exchange, and to them as to other cotton exporters, the world's chronic overproduction has brought problems—especially to higher cost areas like Mexico and Central America. Lower cost areas like Colombia and south Brazil, on the other hand, are stepping up their cotton output and seeking larger foreign markets for it.

Beef production has risen steeply in Central America, where several of the countries have the potential for producing more than the program of voluntary restraints permits them to ship to the United States. Also, Argentina and Brazil are turning to various countries in search of larger export sales for their frozen cooked beef, and Colombia too plans to export this item. In Mexico, however, strong domestic demand for beef may mean a shortage of cattle within the next few years.

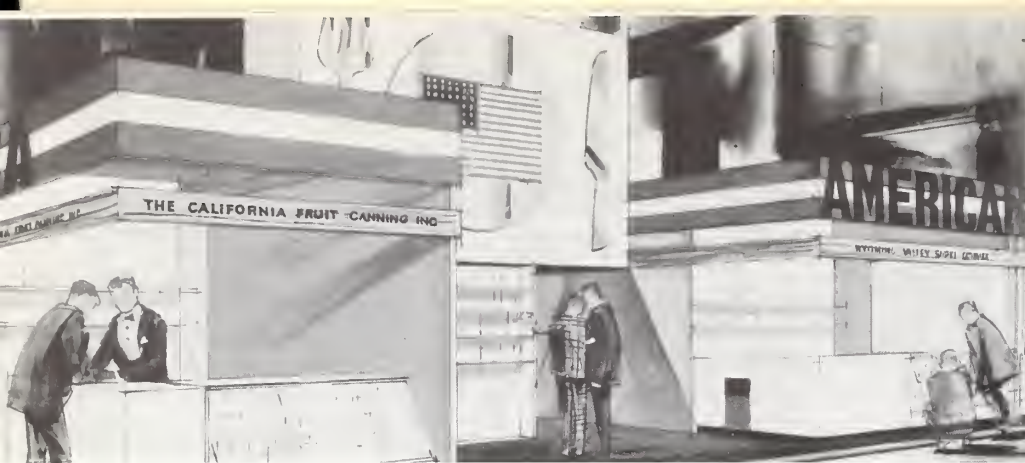
Latin America continues to be a good market for U.S. beef and dairy breeding cattle as credit for livestock expansion becomes increasingly available in the area. Mexico, which bought about half the 35,000 head of U.S. breeding cattle exported last year, will probably take more in the future. Other leading markets are Venezuela, Chile, and the Central American countries; and Brazil, with some purchases already, looks like a more promising future customer as it works to improve its livestock herds.

### **Trends for fruits, vegetables, sugar**

The steady U.S. market for fresh fruits and vegetables is pulling in larger supplies of these products from some Latin American countries—Mexico in particular, which is setting export records in winter vegetables and fresh and frozen strawberries. Mexican growers are reported receptive to closer coordination of their winter vegetable shipments with those of U.S. producers, to avoid a repetition of the marketing misunderstandings that occurred last season. Several of the Central American countries are increasing their fruit and vegetable acreage, with export sales in mind.

The Latin American countries are important suppliers of sugar to the United States. The chief sugar production increases expected are those in prospect for the Dominican Republic, which is repeating its peak 1960 crop, and for Brazil, Colombia, and Venezuela, which are expanding their acreage. In the area's growing trend toward mechanized harvesting, production costs may be lowered but displaced labor could create a problem.





*Designer's drawing of the sales and display booths sponsored by the Foreign Agricultural Service and planned for the Manchester Exhibition. The part of the total display shown is the area for firms with established agents and sales in Britain.*

## Double Exposure for U.S. Foods This Fall in Manchester

By WILLIAM L. SCHOLZ  
Assistant U.S. Agricultural Attaché  
London

The knife, fork, and plate—symbolic shorthand for America's contributions to good dining—will be prominently displayed at the Food, Cookery and Catering Exhibition in Manchester, England, September 9 through 20 this fall as 15 established U.S. food exporters and a number of newcomers to Britain's food market will try to increase or establish sales of their products.

At the same time 30 to 40 supermarkets and "food halls" in the Manchester area will feature U.S. agricultural products during an American Foods Fortnight.

The two-pronged approach—exhibition plus point-of-purchase promotion in an area—has proved quite successful in the United Kingdom in the past, including in 1966 when the United States participated in the Manchester 32d Annual Grocers' Exhibit and local point-of-purchase promotions.

### Format for Participation

The Foreign Agricultural Service of the U.S. Department of Agriculture is sponsoring efforts by American firms and organizations in both the formal Exhibition and the store promotions. At the Exhibition the U.S. area (an artist's plan is shown above) will occupy 3,000 square feet and will consist of a cooperator area, a commercial booth area, and a new products area.

The cooperator area will include the displays and sampling activities of the Rice Council for Market Development, the Institute of American Poultry Industries, and the California Raisin Advisory Board; all three organizations conduct

year-round market promotion in the United Kingdom for their commodities.

The commercial area will include 15 booths stocked with U.S. foods and staffed by agents and representatives of American firms. Companies in this section of the U.S. area already have established markets in the United Kingdom. They will tempt Exhibition visitors with continuous handouts of samples and over-the-counter selling of U.S. foods.

The new products area will provide a showcase for American companies new

to the U.K. marketplace who hope through taking part in the Exhibition to generate interest in their products and establish sales contacts. Participants for this area are being recruited by the International Trade Fairs Division of the Foreign Agricultural Service, Washington, D.C.

Manchester is popular with food exhibitors because its food fairs are well attended and the Manchester area is second as a population center in Britain only to London.

## Tehran Poultry Forum

Iranian businessmen, farmers, government officials, and managers of cooperatives talked with and listened to Iranian and American poultry specialists and technicians at the Tehran Poultry Nutrition Conference May 5 through 7—jointly sponsored by the Iranian Ministry of Agriculture and the Soybean Council of America.

Working sessions covered many problems of poultry nutrition but particularly stressed the importance of special rations for broilers and laying hens. At present, though feed use in Iran is increasing rapidly, chicken rations are still deficient in protein digestible by fowl.

Other subjects of interest were recommendations for nutritious winter and summer poultry feeds in Iran based on the local costs of various ingredients and their nutritive values, explanations of the practical aspects of poultry farming, and the place of soybean meal in poultry nutrition.

The opening meeting was attended by about 400 people and over 250 poultrymen and officials were present at working sessions. In addition to addresses and discussions, agricultural films were shown.



*Dr. H. Zahedi, the Minister of Agriculture in Iran, gives opening address in front of the poultry conference banner.*



# Four Visiting Teams View Two Different Aspects of Soybean Use

Swedish, Portuguese, Indian, and Pakistani teams sponsored by the Soybean Council of America, Inc., toured soybean production, processing, and shipping facilities in the United States during May and June. They also viewed some operations that utilized soybean products to make specialized foods and animal feeds.

## Oil for human consumption

The Indian and Pakistani teams, which arrived separately in the United States, combined their itineraries from Minneapolis, Minn., to New Orleans, La., during June.

Both teams were chiefly interested in soybean oil and the different methods of processing, refining, and shipping this commodity. India, for example, is the second largest market for semirefined U.S. soybean oil, and our exports to that country in 1968 were 200 million pounds. About the same amount will be shipped by the United States in 1969 to India under P.L. 480.

Team members were greatly interested in processing techniques because much of the oil imported by India and Pakistan is made into a semihard shortening called vanaspati. Vanaspati is popular for cooking in both countries.

The team members for India were: B. S. K. Shastri, New Delhi; B. V. Pai, Kerala; S. Bahadur, Bombay; K. G. Mathur, Calcutta; H. Narain, New Delhi; and Deepak C. Shriram, New Delhi. The Pakistani team consisted of: M. A. Aziz, Kala Shak Kaku; Saiyid Naqi Hasan, Lyallpur; Ahfaz-ur-Rahim, Karachi; and Mohamed Husain A. Dhalla, Karachi. Both teams included chemists, managers, and directors of oil-processing plants and mills.

The first field trip of the combined teams was a visit to a company near Mankato, Minn., that crushes soybeans and extracts oil, which it puts through the first steps of refining. Another step in oil processing was viewed at a plant in Albert Lea, Minn., that makes margarine from refined oil.

In Mason City, Iowa, the teams visited a soybean-processing plant, a feed plant that utilizes the soybean meal obtained from the operations of extracting soybean oil, and farming operations that feed rations containing soybean meal to livestock.

At Peoria, Ill., the teams toured the Northern Utilization Research Laboratory of the U.S. Department of Agriculture—a major center of research into better methods of soybean oil processing and new oil uses.

The teams then traveled to Arkansas, where they inspected the operations of a cooperative that processes soybeans for oil and meal and that is an important seller of soybean oil to overseas markets.

The final stop of the combined teams was New Orleans, which is the major U.S. export port area for soybeans and soybean products. In addition to seeing port facilities, the groups visited the Southern Utilization Research Laboratory of the U.S. Department of Agriculture and a private laboratory that inspects soybeans oil shipments leaving the New Orleans area for purity and quality.

## Soybean meal for animal feed

In contrast, the Swedish and Portuguese teams were primarily interested in the processing and uses of soybean meal.

Portugal is endeavoring to develop a modern beef industry, and its imports of soybeans and soybean meal and cake for feed should accelerate. Early this year the country's first soybean processing plant went into operation. But more widely disseminated information is needed in Portugal on the use of formula feeds containing soybean products for livestock rations. The U.S. visit of the Portuguese team is one method of making such information available.

Portuguese team members were Carlos Cardoso Costa, Mario Dalli Pimentel, and Manuel Ramalho Ribeiro. They began their U.S. visit on May 16 with a tour and explanation of the Chicago Board of Trade. While in Chicago, they also visited grain and soybean storage and milling facilities and toured farms in the area that produce soybeans and that feed cattle rations containing soybean meal.

In St. Louis, Mo., in addition to other activities, the team viewed grain elevators and beef-feeding facilities. In Dallas, Tex., team members talked to officials of livestock associations, visited feedlots, and viewed operations in feed plants. The team also inspected cattle ranches.

On May 26 and 27 the Portuguese and the Swedish teams joined temporarily at Kansas City, Mo., to participate in the

3d National Feed Production School, sponsored by the American Feed Manufacturers Association. In addition to attending a number of technical sessions on production in feed plants, the teams also contributed to the School by telling attendants from the United States about feed manufacturing overseas.

At the final session of the School, USDA Assistant Secretary Clarence D. Palmby addressed the School on the world feed situation in the 1970's (see *Foreign Agriculture*, p. 2, June 16, 1969).

## Sweden's soybean interest

The Swedist team, while also interested in soybean meal as a livestock feed, was primarily interested in its use in poultry rations.

The production and consumption of poultry meat is rising rapidly in Sweden, but no oilseeds are grown locally from which quality meal can be produced for poultry feed.

Swedish team members were J. Anders Askling, K. Eric L. Norman, and Carl-Olof A. Ostholm. They kicked off their U.S. tour with a visit on May 21 to the U.S. Department of Agriculture's research facilities on the feeding of animals at Beltsville, Md.

Next, the team visited a poultry cooperative that has its processing plant at Rockingham, Va. In addition to inspecting the processing facilities, team members talked with officials about how broilers are raised on the farms of members.

Then the Swedish team attended the Kansas City Feed Production School in conjunction with the Portuguese team.

At Des Moines, Iowa, team members talked with officials and observed operations of a large farm cooperative engaged in the integrated activities of raising feed substances, milling animal feeds, feeding livestock and poultry, and finally, processing livestock and poultry products.

In Chicago the team visited the Chicago Board of Trade and talked with officials of a large manufacturer of poultry and livestock feeds.

Heading eastward again, the team inspected the operations of a company and plant that processes soybeans for human foods, such as synthetic meat products and soybean "milk."

All teams while they were in the United States had conferences with officials of the Soybean Council of America, Inc., and with the Foreign Agricultural Service, U.S. Department of Agriculture.

# CROPS AND MARKETS SHORTS

## Weekly Report on Rotterdam Grain Prices

Current prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago, are as follows:

Item	July 1	Change from		A year ago
		previous week		
	<i>Dol.</i>	<i>Cents</i>	<i>Dol.</i>	
	<i>per bu.</i>	<i>per bu.</i>	<i>per bu.</i>	
Wheat:				
Canadian No. 2 Manitoba ...	1.93	0	2.02	
USSR SKS-14 .....	1.84	0	1.88	
Australian Prime Hard .....	1.87	0	( <sup>1</sup> )	
U.S. No. 2 Dark Northern				
Spring:				
14 percent .....	1.91	0	2.01	
15 percent .....	1.93	+1	2.04	
U.S. No. 2 Hard Winter				
14 percent .....	1.98	+5	1.99	
Argentine .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
U.S. No. 2 Soft Red Winter ..	1.68	-2	1.73	
Feedgrains:				
U.S. No. 3 Yellow corn .....	1.44	-2	1.30	
Argentine Plate corn .....	1.58	-1	1.50	
U.S. No. 2 sorghum .....	1.27	+3	1.26	
Argentine-Granifero .....	1.23	-3	1.28	

<sup>1</sup> Not quoted.

Note: All quoted c.i.f. Rotterdam for 30- to 60-day delivery.

## Small Portuguese Almond Crop

The occurrence of heavy rains during the almond flowering period and of late frost indicates a small Portuguese almond crop in 1969. Early estimates place the crop at 3,000 tons, kernel basis, 40 percent below the 1968 crop, although 6 percent above the 1962-66 average.

Exports of 1968-crop almonds are forecast at 4,600 short tons, 60 percent above the 1962-66 average and 18 percent below the 1967 total of 5,600 tons.

### PORTUGAL'S ALMOND SUPPLY AND DISTRIBUTION

Item	Average	Year beginning Sept. 1		
	1962-66	1966	1967	1968
	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>
	<i>short</i>	<i>short</i>	<i>short</i>	<i>short</i>
	<i>tons</i>	<i>tons</i>	<i>tons</i>	<i>tons</i>
Beginning stocks (Sept. 1) ....	1.0	1.4	1.4	1.4
Production .....	3.2	1.7	6.0	5.0
Imports .....	—	—	—	—
Total supply .....	4.2	3.1	7.4	6.4
Exports .....	2.9	1.4	5.6	4.6
Domestic consumption .....	.3	.3	.4	.5
Ending stocks (Aug. 31) .....	1.0	1.4	1.4	1.3
Total distribution .....	4.2	3.1	7.4	6.4

## May Tobacco Imports Up

U.S. imports of unmanufactured tobacco for consumption during May 1969 were 17.8 million pounds, an increase of 1.1 million pounds when compared with May 1968. Most of this rise is attributed to increased imports of scrap tobacco.

Although May deliveries for consumption are up, the

cumulative total of 85.0 million pounds for the first 5 months of 1969 January-May is down by 14 percent in comparison with the same 5-month period a year earlier. Lower oriental tobacco imports are largely responsible for the drop. This decline was partly offset by increased imports of scrap tobacco which during the first 5 months of this calendar year totaled 22.5 million pounds, compared to 20.2 million during the same period in 1968 and only 12.8 million pounds in 1967. The Philippines supplies the largest share of U.S. scrap-tobacco imports followed by lesser quantities from Turkey and the Dominican Republic.

### U.S. IMPORTS OF UNMANUFACTURED TOBACCO (FOR CONSUMPTION)

	1968		1969	
	Quantity	Value	Quantity	Value
	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>
	<i>pounds</i>	<i>dollars</i>	<i>pounds</i>	<i>dollars</i>
January-May:				
Cigarette leaf (flue & burley) ..	1,511	466	1,311	487
Cigarette leaf, other .....	73,670	53,574	58,021	39,588
Cigar wrapper .....	212	906	142	504
Mixed filler & wrapper .....	59	374	160	871
Cigar filler, unstemmed .....	1,396	877	1,158	871
Cigar filler, stemmed .....	1,148	1,515	1,019	1,336
Scrap .....	20,215	7,365	22,532	8,530
Stems .....	199	7	669	43
Total .....	98,410	65,084	85,012	52,230
May:				
Cigarette leaf (flue & burley) ..	1	2	35	8
Cigarette leaf, other .....	12,165	8,605	11,830	8,130
Cigar wrapper .....	45	184	26	97
Mixed filler & wrapper .....	1	3	38	181
Cigar filler, unstemmed .....	197	166	364	251
Cigar filler, stemmed .....	209	277	244	319
Scrap .....	4,012	1,664	5,123	1,934
Stems .....	50	2	112	9
Total .....	16,680	10,903	17,772	10,929

Bureau of the Census.

## May Tobacco Exports Accelerate

U.S. exports of unmanufactured tobacco in May 1969 totaled 66.5 million pounds—an increase of more than 50 percent from the 43.7 million pounds exported in May 1968. Largely responsible for increased May exports were shipments of flue-cured, followed by burley and Maryland tobaccos.

Off to a slow start during January and February 1969 because of the U.S. dock strike, unmanufactured tobacco exports picked up in March, April, and May, but they failed to reach last year's level during this 5-month period. Cumulative January-May 1969 exports of 160.9 million pounds were down 19 percent from the 198.6 million pounds exported during the same period a year ago.

Fiscal year 1969 exports of unmanufactured tobacco for the 11-month period July 1968-May 1969 totaled 515.6 million pounds compared with 519.3 million pounds exported during the same period last year. Present indications are that fiscal year 1969 exports are likely to reach the 1968 level of 564.7 million pounds.



For May 1969, the export value of tobacco products increased to \$15.2 million from \$14.3 million in May 1968, but it dropped 15 percent for the January-May 1969 period when compared with the same 5-month period in 1968. During July 1968-May 1969 exports were valued at \$139.0 million, compared with \$127.3 million during the same period a year ago.

#### U.S. EXPORTS OF UNMANUFACTURED TOBACCO [Export weight]

Kind	May		January-May		Change from 1968
	1968	1969	1968	1969	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	
Flue-cured .....	34,810	48,983	146,783	115,104	-21.6
Burley .....	2,741	6,450	15,729	17,682	+12.4
Dark-fired Ky.-Tenn. .	1,880	1,557	6,537	6,426	-1.7
Va. fire-cured <sup>1</sup> .....	303	319	1,872	1,440	-23.1
Maryland .....	313	2,609	3,746	4,379	+16.9
Green River .....	87	0	338	301	-10.9
One Sucker .....	28	0	135	71	-47.4
Black Fat .....	83	34	1,057	216	-79.6
Cigar wrapper .....	208	360	1,964	1,243	-36.7
Cigar binder .....	1,273	98	1,600	154	-90.4
Cigar filler .....	3	46	130	323	+148.5
Other .....	1,998	6,049	18,724	13,529	-27.7
Total .....	43,727	66,505	198,615	160,868	-19.0
	Mil.	Mil.	Mil.	Mil.	
Declared value .....	36.7	57.1	169.9	141.7	-16.6

<sup>1</sup> Includes sun-cured. Bureau of the Census.

#### U.S. EXPORTS OF TOBACCO PRODUCTS

Kind	May		January-May		Change from 1968
	1968	1969	1968	1969	
					Percent
Cigars and cheroots					
1,000 pieces .....	5,385	5,433	33,729	27,388	-18.8
Cigarettes					
Million pieces .....	2,244	2,242	9,627	8,315	-13.6
Chewing and snuff					
1,000 pounds .....	10	3	102	13	-87.3
Smoking tobacco in pkgs.					
1,000 pounds .....	50	87	436	416	-4.6
Smoking tobacco in bulk					
1,000 pounds .....	2,417	3,146	7,161	5,800	-19.0
Total declared value					
Million dollars .....	14.3	15.2	57.9	50.2	-13.3

## Rhodesian Cotton Production

Recent reports indicate that the 1968-69 (August-July) cotton crop in Rhodesia may be as large as 200,000 bales (480 lb. net), nearly double the previous estimate of 110,000. The sharp increase this season is said to be a result of increased area and exceptionally favorable weather. The current crop is far above the record harvest of 80,000 bales a year earlier.

## U.S. Cotton Exports for May

Exports of U.S. cotton amounted to 363,112 running bales (480 lb. net) in May, compared with 568,000 in April and 383,000 in May 1968. Shipments for the 10 months August-May totaled 2,260,000 bales, down more than one-third from a year ago. Exports to the principal cash markets of Western Europe and Japan are only about half the volume of those in the same period in 1967-68.

## U.S. COTTON EXPORTS BY DESTINATION [Running bales]

Destination	Year beginning August 1				
	Average	1967			
	1960-64	1966	1967	1967	1968
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
Austria .....	23	4	1	1	0
Belgium-Luxembourg .....	121	52	45	38	24
Denmark .....	14	8	10	8	1
Finland .....	17	15	11	9	3
France .....	319	163	148	133	80
Germany, West .....	269	159	100	94	25
Italy .....	345	263	253	229	53
Netherlands .....	110	31	36	32	16
Norway .....	13	10	7	5	5
Poland .....	125	78	77	65	106
Portugal .....	21	1	9	8	7
Spain .....	74	1	7	6	5
Sweden .....	81	71	75	68	46
Switzerland .....	74	79	60	51	28
United Kingdom .....	244	153	125	111	42
Yugoslavia .....	112	139	67	59	53
Other Europe .....	17	11	24	27	5
Total Europe .....	1,979	1,238	1,055	944	499
Australia .....	61	17	17	17	0
Bolivia .....	7	9	0	0	0
Canada .....	353	297	142	131	92
Chile .....	18	3	1	1	( <sup>1</sup> )
Colombia .....	3	1	0	0	( <sup>1</sup> )
Congo (Kinshasa) .....	6	34	13	( <sup>1</sup> )	0
Ethiopia .....	9	9	22	20	9
Ghana .....	1	15	12	5	16
Hong Kong .....	148	183	299	250	175
India .....	314	289	342	307	8
Indonesia .....	40	161	70	44	97
Israel .....	15	2	4	3	1
Jamaica .....	4	5	1	1	1
Japan .....	1,192	1,293	1,103	939	459
Korea, Republic of .....	261	372	351	296	426
Morocco .....	12	14	35	23	11
Pakistan .....	14	3	18	18	0
Philippines .....	123	134	154	109	93
South Africa .....	41	38	23	21	8
Taiwan .....	209	373	378	307	220
Thailand .....	34	70	90	76	57
Tunisia .....	2	15	14	14	0
Uruguay .....	6	0	0	0	0
Venezuela .....	8	1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Vietnam, South .....	46	66	24	15	48
Other countries .....	18	27	38	30	40
Total .....	4,924	4,669	4,206	3,571	2,260

<sup>1</sup> Less than 500 bales.

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Correction: Issue of June 30, 1969, page 8, column 1, sentence beginning on line 16 should read, "For example, in 1968, cotton's share of the U.S. fiber market declined to 43 percent of the total." Page 10, column 2, sentence beginning on line 2 should read, "At this level, it [polyester fiber] was mixed with wool in summer suits and appeared in blends with cotton in higher quality shirt and dress fabrics and in curtains, etc."



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## Revised German Regulations for Soybean Meal

Since a previous report in *Foreign Agriculture* on June 16, 1969, additional information about the proposed revision of the West German feed law as it concerns soybean meal has been received from the U.S. Agricultural Attaché in Bonn.

The new regulation will require that the protein and fat content of vegetable oilmeals, including soybean meal, must be stated separately. Under the present regulation, protein and fat may be stated in one figure, and this form of designation is frequently used for soybean meal imported from the United States. The purpose of the proposed change is to emphasize that the two components are of different significance in animal nutrition.

The new regulation will require for the first time that the moisture content of soybean meal must be declared if it exceeds 12.5 percent. This requirement is intended to serve as an indication to the consumer that the product is less storable and has more of a tendency to spoil when the specified moisture content is exceeded. The new requirement should favor U.S. soybean meal sales to West Germany since the meal is usually traded on the basis of 12-percent moisture. The moisture content of German soybean meal ranges from 13 percent in summer to 15 percent during the winter months.

The proposed new regulation provides the following tolerances for the specified components of soybean meal:

Component	Range	Tolerance <sup>1</sup> Percent
Protein .....	20 percent or more	<sup>2</sup> 2
Fat .....	3-15 percent	<sup>3</sup> 10
	Less than 3 percent	<sup>2</sup> 3
Moisture .....	10 percent or more	<sup>2</sup> 5
Raw ash <sup>4</sup> .....	Less than 10 percent	<sup>3</sup> 10
Other <sup>5</sup> .....	—	<sup>3</sup> 10

<sup>1</sup> Different tolerances are applicable to other ranges. <sup>2</sup> Actual percentage of total (i.e., soybean meal labeled as containing 44 percent protein may contain as little as 42 percent without violating the regulation). <sup>3</sup> Applied to figure stated for the component (i.e., soybean meal labeled as containing 3 percent fat may contain as little as 2.7 percent without violating the regulation). <sup>4</sup> Tolerance is applicable only below the 6.5 percent maximum permitted. <sup>5</sup> Presumably including raw fiber, for which the tolerance is applicable only below the 7 percent maximum permitted.

It is proposed that the section of the new regulation establishing tolerances shall become effective one day after publication but, contrary to information received earlier, all other sections of the new regulation will not go into effect until January 1, 1970.

—By H. REITER WEBB, JR.  
Fats and Oils Division, FAS

## USDA Announces Estimate for Meat Imports for 1969

Secretary of Agriculture Clifford M. Hardin announced on June 30 that the third quarterly estimate of meat imports into the United States during 1969 remains at the 1,035-million-pound level announced in April 1969 and that Presidential action to invoke meat import quotas for 1969 is not necessary at this time.

Public Law 88-482, enacted in August 1964, provides that if yearly imports of certain meats—primarily beef and mutton—are estimated to equal or exceed 110 percent of an adjusted base quota, the President is required to invoke a quota on imports of these meats. The adjusted base quota for 1969 is 988.0 million pounds. The amount of estimated imports which would trigger its imposition is 110 percent of the adjusted base quota, or 1,086.8 million pounds.

The Secretary said that the third quarterly estimate remains unchanged because of continued voluntary restraints on shipments of these meats to the United States by the principal supplying countries. He pointed out that import surveillance

and other information available to the Department of Agriculture indicate no change in the estimate is warranted at this time.

### U.S. IMPORTS SUBJECT TO MEAT IMPORT LAW (P.L. 88-482)

Month	1966 Mil. lb.	1967 Mil. lb.	1968 Mil. lb.	1969 Mil. lb.
Jan. ....	51.4	77.4	80.7	41.9
Feb. ....	60.3	58.5	72.6	50.4
Mar. ....	49.4	61.9	64.1	136.1
Apr. ....	63.3	58.8	78.3	90.0
May ....	52.0	51.5	56.1	
June ....	100.2	69.6	105.1	
July ....	61.4	88.7	86.4	
Aug. ....	87.1	92.2	108.6	
Sept. ....	91.5	89.7	115.5	
Oct. ....	79.7	91.8	102.1	
Nov. ....	61.1	82.3	95.8	
Dec. ....	66.0	72.4	35.6	
Total .....	823.4	894.9	1,001.0	—